

DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D.C. 20548

FILE: B-220923

DATE: December 20, 1985

MATTER OF: Alpha Data Inc.

DIGEST:

Cancellation of interdepartmental procurement of disk drives was proper where requiring agency anticipated improved reliability and cost effectiveness with procurement of solid state storage devices.

Alpha Data Incorporated (Alpha) protests the cancellation of request for proposals (RFP) No. F09603-85-R-2256 issued by the Warner Robins Air Logistics Center (Air Force), Robins Air Force Base, Georgia. The solicitation, for four fixed head disk drives, was issued in response to a Military Interdepartmental Purchase Request (MIPR) received from the Navy Aviation Supply Office (Navy), Philadelphia, Pennsylvania.

We deny the protest.

Alpha submitted the sole offer by the October 7, 1985 closing date for receipt of proposals. On October 18, before award was made, the Navy canceled its requirement. Notified of the cancellation on October 24, 1985, Alpha protested to our Office on October 29, 1985.

Alpha contends that the Navy's requirement for disk drives was canceled in favor of solid state storage devices, which present no operational advantages and probably no price advantage, but will present long time delays and new technical uncertainties. According to Alpha, disk drives are needed to replace aging data storage memory drums used with Navy flight simulators. Alpha asserts that connecting replacement memory storage units to the flight simulators is a difficult engineering task due to the lack of engineering documentation, and notes that two previous contracts awarded for replacement units were terminated for technical non-performance. Alpha argues that its disk drive technology is reliable, as shown by its use with Air Force flight simulators, but that the data error rate of solid state devices may not be adequate. Alpha states it is not

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aware of any Navy evaluation of the full cost impact of purchasing new memory units of a totally different design, and contends that the solid state memory devices can only be cost competitive with its magnetic storage devices through the use of inexpensive foreign-made chips.

Correspondence submitted to our Office from the Air Force and the Navy indicates that the Navy canceled its requirement for disk drives because it intends to procure a solid state memory system widely used in commercial applications since 1980. According to the Navy, the total absence of any moving parts in the system offers greatly improved reliability compared with rotating electromechanical devices. Furthermore, the recent drop in the price of memory chip components makes solid state devices an extremely cost effective solution to the Navy's mass memory requirements. The Navy also contends that maintenance costs and system downtime will be minimized through the use of replaceable modules that will allow a user to isolate a fault, replace a defective board, and resume operation in minimum time.

Contracting agencies have broad discretion in determining when it is appropriate to cancel a solicitation. When negotiation procedures are used, they need only establish a reasonable basis for the cancellation. Hewitt, Inc., B-219001, Aug. 20, 1985, 85-2 C.P.D. ¶ 200. We have upheld an agency's cancellation of a solicitation in a negotiated procurement where the goods or services called for by the solicitation were no longer required, or where cost savings could accrue to the government as a result of the cancellation. Meteor Communications Consultants, Inc., B-197872.2, Oct. 9, 1981, 81-2 C.P.D. ¶ 289; Science Information Services, Inc., B-205899, June 2, 1982, 82-1 C.P.D. ¶ 520.

In this interdepartmental procurement, the Air Force, as the procuring agency, was responsible for planning the procurement, executing the contract, and arranging for contract administration. The Navy, as the requiring agency, furnished the definition of the government's needs. Department of Defense Federal Acquisition Regulation Supplement, § 8.70, 48 C.F.R. § 208.70 (1984). Here the Navy anticipated improved reliability and cost effectiveness with the procurement of solid state storage devices; in effect, the Navy determined that it no longer wanted the disk drives it initially sought. Although the protester seems to challenge the wisdom of the Navy's position, this is a decision for the requiring activity to make. Syva Company, B-218359.2, Aug. 22, 1985, 85-2 C.P.D. ¶ 210. Under the circumstances,

the Air Force had a reasonable basis to cancel the solicitation for disk drives at the Navy's request.

The protest is denied.

for Seymour Efron
Harry R. Van Cleve
General Counsel